

**REMARKS**

The Applicants thank the Examiner for the careful consideration of this application. The Office Action dated February 7, 2011 has been received and its contents carefully considered. The substance of claims 19 and 20 has been incorporated into claims 17 and 18, respectively. Claims 19 and 20 have been cancelled. Claims 1, 9, 17, and 18 are currently pending in this application. Claims 17 and 18 have been amended. Support for the amendments may be found throughout the specification, for example on page 11, line 1, page 12, line 23, and Table 1 on page 31 of the clean copy of the substitute specification. Based on the foregoing amendments and the following remarks, the Applicant respectfully requests that the Examiner reconsider all outstanding rejections and that they be withdrawn.

**Allowable Subject Matter**

Applicants acknowledge and appreciate the indication of allowable subject matter in claims 1 and 9. The Applicants note that claims 19 and 20 have not been rejected on prior art grounds, and assume that claims 19 and 20 are also directed to allowable subject matter.

**Claim Rejection – 35 U.S.C. § 112**

On pages 2-3, the Office Action rejects claims 17-20 under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the written description requirement. Applicants disagree. However, in the interest of advancing prosecution, Applicants have amended claims 17 and 18 to recite "a lubricant formed as fine particles comprising zinc stearate" and with "an iron loss of at least 145 W/kg and no more than 194 W/kg." Applicants respectfully request the rejection be withdrawn.

**Claim Rejection - 35 U.S.C. § 103**

On pages 3-6, the Office Action rejects claims 17 and 18 under 35 U.S.C. § 103(a) as allegedly obvious based on Rutz (U.S. Patent No. 6,372,348) in view of Hanano (U.S. Patent No. 5,277,831). Applicants respectfully disagree.

However, in the interest of advancing prosecution, Applicants have incorporated the subject matter of claims 19 and 20 into claims 17 and 18, respectively. Claims 19 and 20 were not rejected, and are therefore presumed to be allowable. Applicants respectfully request the rejection be withdrawn.

### Conclusion

All of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicant therefore respectfully requests that the Examiner reconsider all presently outstanding rejections and that they be withdrawn. Applicant believes that a full and complete reply has been made to the outstanding Office Action and, as such, the present application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is hereby invited to telephone the undersigned at the number provided.

The Commissioner is authorized to charge any deficiency in any patent application processing fees pursuant to 37 CFR § 1.17, including extension of time fees pursuant to 37 CFR § 1.17(a)-(d), associated with this communication and to credit any excess payment to Deposit Account No. 22-0261.

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Respectfully submitted,

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